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# BUILDING MOMENTUM

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Sustainability Report 2009





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This sustainability report is based on the Global Reporting Initiative's Guidance documents for creating a more sustainable future. TriLibrium drafted this report to provide our stakeholders with a transparent look into our operations, our goals, and our vision as an accounting firm — striving to fully incorporate the “triple bottom line” into TriLibrium’s internal and external practices.



# Strategy & Profile Disclosures

I am proud to introduce TriLibrium's initial sustainability report. We are confident that TriLibrium represents the leading edge of the accounting profession and this report provides some of the evidence to make such a claim. Our firm mantra is "CPAs who save the world," and we work to embody that ethos in everything we do. We invite CPAs and others to join us in this vital effort.

Our first year was exciting. We opened for business October 1, 2008 and the next day a solar-related NGO contacted us for help with some accounting issues. At that time, we had a business plan and vision but lacked such basics as a business name, office, website, systems, and more. During this past year we've solved those issues and built an incredible foundation for our future success, while always remaining deeply committed to our larger mission.

The biggest issue we face in the coming year is how to compensate ourselves appropriately and adequately as we grow. Each of our staff members has made significant investments in education while bringing a ton of expe-

rience to TriLibrium and each deserve to make decent wages. This has been a challenge as we bootstrap our growth. We need to add people, find a permanent office location, (preferably in a LEED certified building) and continue to expand our capacity. Tight capital markets have made it nearly impossible to access traditional startup capital which offers challenges to our growth.

Brian C. Setzler, MBA, CPA  
Co-Founder  
September 2009



# Impacts, Risks, & Opportunities

We have expanded our business model beyond financial performance to include our environmental and social impacts. We proudly share thought leadership with the business community and accounting profession. Our every interaction with stakeholders is characterized by our focus on teaching, modeling and offering expertise on business and sustainability. Our advisory work with clients positioned at the highest levels of their organizations leverages our efforts to effect change. By helping our clients improve their triple bottom line, we help shift the entire business landscape. In light of our limited capacity and resources, our greatest risk with stakeholder engagement is that of inadequate follow-through and implementation. Moreover, it is difficult for us to report on all GRI indicators because they are not material to our nascent firm. As we grow, so too will our capacity for implementation, internal auditing, and reporting.

Our firm's prospects seem poised to grow along with the local business community's interest in sustainability. The number of regional small-and medium-sized businesses embracing sustainability continues to expand the need for our services. What's more, if history is our guide, the demand for high-level accounting services will continue to exceed the supply of CPAs. For this reason, one of

our major business risks is the potential for non-CPAs to encroach on our practice: to ride on our coattails, so to speak. On a strategic level, the current credit crisis and our inability to acquire adequate investment capital hampers our growth and challenges our efforts to attract and retain talented employees. We don't believe that any of these concerns impact our stakeholders.

Due to our limited capacity and the priority to meet our current clients' needs, no additional tables are provided in this report.







# Organizational Profile

TriLibrium is a privately-held sole proprietorship located in Portland, Oregon, USA. There is no conventional hierarchy in this firm; we operate as a team of three with overlapping proficiency as certified public accountants (CPA), sustainable business experts and advisors.

From inception through June 30, 2009, we generated \$40k in revenue. In consideration of the owner's privacy, we have opted not to disclose capitalization rates, debt, or equity. Over 90% of our business is transacted in the Portland metro area, while the remaining 10% is distributed along the west coast of the US.

We serve private individuals and families; locally owned, small- and medium-sized businesses; higher education institutions; non-profit organizations; and NGOs. Our clients represent a variety of sectors, including: retail, manufacturing, service, not-for-profits, healthcare, agriculture, construction, real estate, and alternative energy. The variety of our services matches the diversity of our clientele; we provide accounting, bookkeeping, business consultation, choice-of-entity consultation, compilations, tax preparation and planning for individuals and businesses, metrics for sustainability reporting, QuickBooks setup and support, strategic planning, and teaching.

The most significant change during this reporting period has been our transition from an idea to a flourishing business. In less than 10 months, we have grown from a triple bottom line vision (i.e. concerned not just with profit, but with the welfare of people and the planet as well) into an accounting firm with a rapidly expanding client list. Also, of note, in July of 2009 we earned certification as a "Beneficial-" or "B-Corporation"; "a new type of corporation which uses the power of business to solve social and environmental problems." For more information about B-Corporations, visit their website

**[www.bcorporation.net](http://www.bcorporation.net)**



# Report Parameters

This inaugural report covers TriLibrium's first-year operations ending June 30, 2009, and includes the preparations prior to our official launch on October 1, 2008.

We used the Global Reporting Initiative (GRI) G3 Guidelines as our reporting standard and as a guide for calculating our economic, environmental, and social impact. Accordingly, this report meets GRI's application "Level A"; evidence that we have either reported on all core sustainability indicators or explained their omission. Due to cost, we have not engaged an outside party to provide an independent assurance report. We take full responsibility for the accuracy and integrity of the contents.

Using the GRI Boundary Protocol and Reporting Principles, we determined that all work-related activities carried out by TriLibrium staff are "material" and merit inclusion in our calculations. In accounting for our environmental footprint, we include only direct and measurable impacts such as employee travel and commuting while we exclude indirect impacts such as fuel consumed by clients traveling to meet us.

All indicators in this report reflect our single-office location. This report is a public document available on the **TriLibrium website**. We hope our clients and stakeholders will read it and offer feedback. If you have any questions or comments about this report, please contact us at (503) 546-2050 or **info@TriLibrium.com**.

Three major factors determined the report's materiality: first, we considered the most pressing environmental and social justice issues facing the accounting industry; second, we explored the greatest leverage we can offer the sustainable community; third, we attempted to identify concrete action items for our stakeholders. We identified stakeholders by brainstorming with consideration to our operations, production, and vision.

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## GRI Content Index

### Reporting Principles defining content

1. Materiality
2. Stakeholder Inclusiveness
3. Sustainability Context
4. Completeness

### Reporting Principles defining quality

1. Balance
2. Comparability
3. Accuracy
4. Timeliness
5. Clarity
6. Reliability



We prioritized report topics based on an analysis of Tri-Librium's strengths, weaknesses, opportunities, threats and related issues. We also speculated about what may guide decisions in our second year.

The scope of this report is limited by a number of variables out of our control; upstream, from our vendors, and downstream, with our clients. Upstream, from our vendors and supply chain, we are limited by our access to life cycle assessment information. To compensate, we give preference to transparent businesses and use like-minded, local vendors whenever possible. Downstream, the report is limited by unproven client satisfaction, an issue we intend to address during the next cycle. We are also unable to measure the cost and benefits of our service on our clients.

Although we capture some data through our accounting systems, we lack the resources to collect all relevant data in this reporting period. The GRI Indicator Protocols have helped us streamline our data collection process for future reporting periods. We used a hybrid of the EPA Climate Leaders and the World Resource Institute protocol for our greenhouse gas calculations. We assume that 33% of utilities at our home office are attributable to the business operations in our greenhouse gas inventory.

<b>Topic</b>	<b>GRI Indicators</b>	<b>Page</b>
Strategy and Analysis	1.1-1.2	3,4
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Governance, Commitment, and Engagement	4.1-4.18	10
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Economic	EC1-EC9	12
Environmental	EN1-EN30	15
Social: Labor Practices and Decent Work	LA1-LA15	20
Social: Human Rights	HR1-HR10	24
Social: Society Performance	SO1-SO6	27
Social: Product Responsibility	PR1-PR9	29

It should be easy to compare this report with those of similar organizations and with future reports since there are no joint ventures, subsidiaries, leased facilities, outsourced operations or other entities that could significantly affect comparability.

As mentioned, this annual report covers our maiden year of operations, including our activities prior to opening; from July 15, 2008 to June 30, 2009.



# Governance, Commitments & Engagement

Thanks to our modest size, we hold a minimum of one meeting per week where all employees provide input, help make decisions, set strategy and provide organizational oversight to assure we integrate our principles and values into our economic, environmental, and social performance. At present, there is no chair or executive officer “higher” than another: we are a three-person team of equals. To ensure a consistent understanding of sustainability, we send all employees through The *Natural Step* training. Our technical expertise and the values of sustainability direct strategy on economic, environmental, and social performance.

We have not looked to international standards to guide our evaluation, identification and management of performance because we believe they are beyond the reasonable scope of a local business. For samples of firm statements and documents that elaborate on our ethos, we draw on our declaration “Our Guiding Values,” our business plan, our forthcoming policy manual, the firm mantra “CPAs that change the world,” and our website message. We are aware of the precautionary principle described in Article 15 of the Rio Principles, but we have not discussed how it informs our services.

Since inception, we have voluntarily subscribed to the non-binding principles of The Natural Step Framework, the Sustainable Business Network (Portland chapter), and the Business Alliance for Local Living Economies. We voluntarily adhere to the binding charter and principles of the B-Lab as a B-Corporation, and the Oregon Society of CPAs since July 2009 and inception, respectively. Since the time when TriLibrium was just a notion, we have observed all rules set out by the Oregon State Board of Accountancy, the US Internal Revenue Service, and the American Institute of Certified Public Accountants and similar authoritative bodies.

We strongly prefer to engage with those individuals and institutions who conscientiously assess the impact of their choices and behaviors; who look beyond financial performance to include their environmental and social performance as well. As a triple bottom line firm, we incorporate our stakeholders’ human and environmental needs into our decisions. We engage our stakeholders by a variety of methods independently of the preparation process for this report. For example, we hosted a “happy hour get together” to exchange ideas among clients and our firm. We collected informal client feedback upon completion of work (a formal survey is in process for the next reporting period). We always welcome internal and external feedback. No key topics or concerns have been raised during stakeholder engagement.

While we can’t dictate the actions or decisions of our suppliers or patrons, we can choose those with whom we collaborate. For the purposes of this report, we categorize our stakeholders into one of four groups:



entrepreneurs in need of guidance; sustainability consultants with whom we will partner for larger endeavors; students and professors of accounting who will incorporate triple bottom line practices and change the face of the industry. In short, those entities that recognize the need to balance profit motives with concern for people and the planet.

4. **Professional bodies** that represent the future of accounting, such as the American Institute of Certified Public Accountants, the Oregon Society of Certified Public Accountants, and similar bodies.

TriLibrium maintains no positions of influence in professional memberships,

associations, and organizations, although we do consider them a resource for identifying and selecting stakeholders. These organizations are:

1. **Our clients**; present and future. Without their patronage, we could not endeavor to lead the accounting industry by example into a more sustainable professional paradigm.
2. **Our employees**; present and future. They are the lifeblood of TriLibrium. We maintain that the more we invest in our people, the greater quality of service and professionalism we can offer.
3. **Values-driven businesses, individuals, and organizations in the Portland area**: not-for-profits who benefit from our donations and services; early-stage

- Sustainable Business Network of Portland (SBNP)
- The Business Alliance for Local Living Economies (BALLE)
- International Society of Sustainability Professionals (ISSP)
- The Natural Step of Oregon
- B-Corporation
- Bainbridge Graduate Institute

# I. Economic Profile

- Economic Performance
  - Market Presence
- Indirect Economic Impacts

From our earliest beginnings, we have become a trusted service provider, expanded our internal operations and developed our external branding. On average, we attract ten new clients each month through personal referrals and our participation in locally-hosted, values-driven events. We see ourselves as advisors and advocates for a robust, local and sustainable economy.

Our success is inextricably linked to that of like-minded employees, clients and businesses in the Portland and Cascadian bioregion. Our clientele depend on us to help bolster their business and financial sophistication and stability, improve their operations and meet their statutory requirements. Our greatest leverage point lies in supporting these agents of change with our expertise in tax, accounting and business services. Due to the economic downturn, we have adjusted our fees and provided deferred payment plans for our clients. We believe that the dividends of long-term investment in our community will compensate for any short-term loss in profit.

Most of our revenue has re-entered the community through payroll and purchasing. We bank locally with Albina Community Bank, convinced that our income boosts the local-multiplier effect. In our second reporting cycle we aim to generate approximately \$200k in fees, hire one or two more CPAs, and nurture our relationships with current stakeholders, clients and vendors.





## Economic Performance Indicators

GRI Indicator	Description	What we accomplished in 2008-09	Our goal in 2009-10
<b>EC1</b>	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	We generated over \$40K in revenue and employed three full-time staff. We donated over \$350 to grassroots peace groups in our area. We also donated in-kind services to a number of non-profit community groups.	We expect three to five times the revenue next year. We will continue to offer in-kind services to not-for-profits and to make donations to local peace groups.
<b>EC2</b>	Financial implications and other risks and opportunities for the organization's activities due to climate change.	We already internalize the cost of offsetting 150% of our measured carbon emissions [beyond our Scope II RECs]. Climate change should provide business opportunities for TriLibrium as we assist clients with measuring, reporting and reducing their carbon footprints.	We will continue to encourage our clients to measure their carbon footprints and help them conduct more greenhouse gas inventories. We will explore collaboration with another entity to create a training course to educate the CPA profession on carbon.
<b>EC3</b>	Coverage of the organization's defined benefit plan obligations.	None.	None.
<b>EC4</b>	Significant financial assistance received from the government.	None.	None.
<b>EC5</b>	Range of ratios of standards entry level wage compared to local minimum wage at significant locations of operation.	Because we are in the first year of business, reporting on this indicator does not seem material.	It is our policy to pay living wages. We will pay everyone at least 37% more than minimum wage.
<b>EC6</b>	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	We give informal, but strong preference to local suppliers.	We will formalize our local-purchasing policy.
<b>EC7</b>	Procedures for local hiring and proportion of senior management hired from the local community at locations.	We only advertise locally and have only hired locally.	We don't anticipate any future changes in our hiring practices.
<b>EC8</b>	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Currently informal.	We will look to formalize this element of our business.
<b>EC9</b>	Understanding and describing significant indirect economic impacts, including the extent of impacts.	TriLibrium provides CPA services to the values-driven community. We bring accounting, business and sustainability expertise to our local customers while helping them improve their financial stability.	No change.



## II. Environmental Profile

- **Materials**
  - **Energy**
  - **Water**
- **Biodiversity**
- **Emissions, Effluents, and Waste**
  - **Products and Services**
  - **Compliance**
  - **Transport**
  - **Overall**

As one might expect, our environmental footprint grew along with our business during our first year. Nevertheless, when compared with our public-accounting peers on a per-revenue-dollar or per-employee basis, we believe that our environmental footprint falls within the smallest 1%. All of our actions reflect our goal to minimize our environmental footprint.

After performing a comprehensive Scope 3 greenhouse gas inventory, we offset over 150% of our emissions by investing in two NativeEnergy projects: Hillcrest methane capturing, and Greensburg Wind Farms. Furthermore, we purchase electricity through Pacific Power's Blue Sky Habitat program; a certified Green-e Energy renewable energy program. We purchase "green" alternatives whenever the option is available. Our office equipment is all Energy Star™ certified. Our web hosting service and our servers are powered with renewable energy.

Because TriLibrium currently operates out of our owner's home, we have complete control over the purchasing decisions that affect our environmental footprint. An independent energy audit showed our office space is well insulated and efficient. At the next major repair, we intend to upgrade our furnace to a highly efficient system. Instead of air conditioning, we rely on traditional energy saving methods like closing shades and night cooling in the warmer months. During winter, we wear extra layers to reduce heating needs. As we grow and move to other facilities, we will need to be creative with reduction strategies to ensure that our environmental footprint does not grow out of proportion with our business.

Our greatest environmental impact comes from our transportation choices. Each employee tracks and reports his or her monthly commuting. Besides bicycles, our main business vehicle is the owner's Toyota Prius Hybrid. All employees are reimbursed up to \$75 per month for opting-in to a Zipcar account. To encourage bike commuting, we purchased a bike for one employee and provide staff with a \$20/month tax-free bike-commuting benefit. Whenever feasible, we travel by bus, light rail and train. We encourage alternative transportation to reduce our greenhouse gas footprint. If economically feasible, we will purchase at least one electric bike for errands and client visits next year. We will continue to model sustainable work and commuting practices among employees.





GRI Indicator	Description	What we accomplished in 2008-09	Our goal in 2009-10
<b>EN1</b>	Materials used by weight or volume.	Perceived as immaterial.	No change.
<b>EN2</b>	Percentage of materials used that are recycled input materials.	Not measured. All paper is 100% PC Recycled.	No change expected during next cycle.
<b>EN3</b>	Direct energy consumption by primary energy source.	200 therms of Natural Gas.	No change expected during next cycle.
<b>EN4</b>	Indirect energy consumption by primary source.	1525 kWh of electricity (purchased as renewable energy).	1600 kWh of electricity (purchased as renewable energy).
<b>EN5</b>	Energy saved due to conservation and efficiency improvements.	Not measured.	No change.
<b>EN6</b>	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Initiatives in place, no systems to measure.	No change.
<b>EN7</b>	Initiatives to reduce indirect energy consumption and reductions achieved.	Initiatives in place, no systems to measure.	No change.
<b>EN8</b>	Total water withdrawal at source.	None.	None.
<b>EN9</b>	Water sources significantly affected by withdrawal of water.	N/A	N/A
<b>EN10</b>	Percentage and total volume of water recycled and reused.	Not measured; approximately 1% reused watering plants.	We will explore our options for improvement.
<b>EN11</b>	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Offices located in urban residential neighborhood on 5,700 sq. ft. (530 sq. m.) lot. The land is nature-scaped with native plants to attract wildlife.	We anticipate relocation and its associated challenges.

Continued on next page >



GRI Indicator	Description	What we accomplished in 2008-09	Our goal in 2009-10
<b>EN12</b>	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not perceived as significant or material.	No change.
<b>EN13</b>	Habitats protected or restored.	Trilibrum is part of the Salmon Habitat Restoration Program through Pacific Power.	Same as previous year; volunteer for habitat restoration fieldwork.
<b>EN14</b>	Strategies, current actions, and future plans for managing impacts on biodiversity.	Awareness: <ul style="list-style-type: none"> <li>• Bird feeding</li> <li>• Dietary Choices</li> </ul>	No change.
<b>EN15</b>	Number of IUCN Red List species and national conservation list species with habitat in areas affected by operations, by level of extinction risk.	N/A	N/A
<b>EN16</b>	Total direct and indirect greenhouse gas emissions by weight.	2.14 metric tons.	Reduction relative to our staff size.
<b>EN17</b>	Other relevant indirect greenhouse gas emissions by weight.	5.34 metric tons.	Reduction relative to our staff size.
<b>EN18</b>	Initiatives to reduce greenhouse gas emissions by weight.	Bike commuting to work. Turning off lights during the day. Turning off computers when not in use. Energy-efficient fax/printer/scanner. Duplex printing.	We would like to provide bus passes to our employees and obtain an electric bike for short commutes. We will provide bus tickets to any clients who visit us by bus.
<b>EN19</b>	Emissions of ozone-depleting substances by weight.	Not perceived as significant or material.	No change.
<b>EN20</b>	NO, SO, and other significant air emissions by type and weight.	Not perceived as significant or material. Radon measurements in our offices are at reasonable rates.	No change.
<b>EN21</b>	Total water discharge by quality and destination.	12.21 CCFs (reported as water usage volume, not sewer volume).	Either install rain barrels on office premises or disconnect gutters to water vegetable garden for firm's use.
<b>EN22</b>	Total weight of waste by type and disposal method.	We do not weigh our waste, but our monthly garbage would fit in a 5-gallon (20 L) bucket.	We do not anticipate any significant change.
<b>EN23</b>	Total number and volume of significant spills.	Not perceived as significant or material.	Not perceived as significant or material.



GRI Indicator	Description	What we accomplished in 2008-09	Our goal in 2009-10
<b>EN24</b>	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not perceived as significant or material.	Not perceived as significant or material.
<b>EN25</b>	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not perceived as significant or material.	This indicator, and how TriLibrium plays a role, may receive future study.
<b>EN26</b>	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	We are always seeking ways to improve the environmental impact of our business.	No change.
<b>EN27</b>	Percentage of products sold and their packaging materials that are reclaimed by category.	We sell services. What little paper-based products we do print use FSC certified 100% post-consumer recycled paper.	No anticipated changes.
<b>EN28</b>	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	None.	None.
<b>EN29</b>	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	There is some vehicular travel for workforce commuting and client visits.	Less car travel. More bike commuting or walking. We will consider organic, local & seasonal dietary choices for firm events, meals, and client/ partner relations. Consider electric bikes or scooters for employee-to-client travel.
<b>EN30</b>	Total environmental protection expenditures and investments by type.	We purchased carbon offsets for 150% of our measured emissions. We purchased a bike for one of our employees. We tested our office for radon gas. We've installed numerous birdfeeders.	We will continue to look for opportunities to improve.

### III. Social: Labor Practices and Decent Work Profile

- **Employment**
  - **Labor/Management Relations**
  - **Occupational Health and Safety**
    - **Training and Education**
- **Diversity and Equal Opportunity**

The balance between life and work is incredibly important to our profession. One of our best features has been a very flexible work environment with generous amounts of time off. Staff compensation correlates to TriLibrium's profits past a base level. Unfortunately, because of our nascent state, staff were paid substantially less than what market rates demand for their level of training, education and credentials. We could not offer health insurance, a retirement plan or other 'standard' benefits one expects from a public accounting firm. As the business grows, so will our suite of benefits.

As a professional service provider, we believe that our firm's effectiveness is dictated by our staff's training and engagement. Each TriLibrium employee exceeds the industry requirement that CPAs annually earn 40 hours of continuing professional education. During this reporting period, our staff studied topics such as QuickBooks, taxes, business ethics, sustainability, human resources, and customer service. We will continue to support and encourage ongoing education with the development of a more formalized process and budget.

Communication is very important at TriLibrium. Rather than organize as a top-down hierarchy, we think of our business as a flat, circular organization. We do not differentiate between "labor" and "management;" everyone has the opportunity to offer input into all important business and operating decisions.





We encourage dialogue with clients to foster a sense of mutual ownership of outcomes. Our owner blogs at [www.greenCPA.blogspot.com](http://www.greenCPA.blogspot.com). We occasionally send informational newsletters to our customers.

We also teach and develop continuing professional education courses and workbooks for other CPAs seeking to learn about triple bottom line operations. Our two founders will be teaching at Bainbridge Graduate Institute this fall. Brian Setzler and André Furin will collaborate on the accounting and finance education team as associate faculty and teaching assistant, respectively.

We recognize the challenges we face with respect to diversity and equal opportunity. We are aware of this shortcoming due to our small size and specialized services, and seek to include people of color with various ethnic and religious backgrounds in future recruiting efforts. We can manage these aspects through ongoing dialogue among our team-members.

Employee Status	Gender	Age	Location
Professional staff (3)	Women=1 Men=2	25-35=1 36-45=1 46-55=1	Portland, OR

## Labor Practices and Decent Work Performance Indicators

GRI Indicator	Description	What we accomplished in 2008-09	Our goal in 2009-10
LA1	Total workforce by employment type, employment contract, and region.	Three.	5-10
LA2	Total number and rate of employee turnover by age group, gender, and region.	0	No turnover.
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	None.	No change.
LA4	Percentage of employees covered by collective bargaining agreements.	None.	No change.



GRI Indicator	Description	What we accomplished in 2008-09	Our goal in 2009-10
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Not perceived as significant or material.	No change.
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	None.	No change.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	No occupational-related diseases, one minor occupational-related injury.	Measure and understand reasons for absenteeism. No injuries.
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, families, or community members regarding serious diseases.	Nothing formal.	No change anticipated.
LA9	Health and safety topics covered in formal agreements with trade unions.	N/A	N/A
LA10	Average hours of training per year per employee by employee category.	Each employee participates in 40-120 hours of formal training per year. We are proud of this significant investment in training and human development.	No change anticipated.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Yes.	Yes.
LA12	Percentage of employees receiving regular performance and career development reviews.	100%	100%
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority, group membership, and other indicators of diversity.	{See demographic chart on previous page}	
LA14	Ratio of basic salary of men to women by employee category.	~ 1:1	~ 1:1



## IV. Social: Human Rights Profile

- **Investment and Procurement Practices**
- **Non-discrimination**
- **Freedom of Association and Collective Bargaining**
- **Abolition of Child Labor**
- **Prevention of Forced and Compulsory Labor**
- **Complaints and Grievance Practices**
- **Security Practices**
- **Indigenous Rights**

Fostering community stewardship starts in the workplace. We strive to exceed all human rights laws, industry best practices and fair labor standards. The founders actively encourage staff to participate in the community and engage in social activism. We allocate time during or after office hours for active engagement in community forums, bicycle events, letter-writing to government representatives, and time to vote. We share our experiences with one another to encourage greater participation. Last year we donated 1% of gross revenues to local peace organizations in Oregon, based on the input and interests of our employees.



GRI Indicator	Description	What we accomplished in 2008-09	Our goal in 2009-10
<b>HR1</b>	Percentage and total number of significant investment agreements that include human rights clauses of that have undergone human rights screening.	None.	No change.
<b>HR2</b>	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	None.	Explore.
<b>HR3</b>	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	We assume that our employees have some basic human rights training. Two hold an MBA in Sustainable Business and one worked for the Peace Corps.	All employees will be trained on basic human rights issues.
<b>HR4</b>	Total number of incidents of discrimination and actions taken.	None.	None.
<b>HR5</b>	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	None.	No change.
<b>HR6</b>	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	None.	No change.
<b>HR7</b>	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	None.	No change.
<b>HR8</b>	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	N/A; we have no need for security personnel.	No change.
<b>HR9</b>	Total number of incidents of violations involving rights of indigenous people and actions taken.	None. We offered pro-bono work for indigenous entrepreneurs.	No change.





## V. Social: Society Performance Profile:

- **Community**
- **Corruption**
- **Public Policy**
- **Anti-Competitive Behavior**
- **Compliance**

There is a lot of work to mend our ailing planet and societal structure. The code of ethics in the CPA profession obliges us to follow the highest ethical standards in serving our clients and the community. We take it upon ourselves to extend that obligation to create a sustainable world through our core competencies—as accountants and business advisors. We want to see more accounting firms integrate sustainable practices into their business structure, so we frequently share our techniques for sustainability with other CPAs.

We have found many ways to indirectly benefit our community. Whenever possible, we support local, sustainably-driven organizations with our purchasing policies. Next year, we plan on implementing a formal purchasing policy. In addition, we've provided complimentary tax work for not-for-profit organizations and discounted or donated services to numerous NGOs. Finally, we donated a number of "Successful Business Kits" to help advance the work of values-driven organizations such as the indigenous tribal program "Native Entrepreneurship" and the Oregon Micro-Business Enterprise Network.

To prepare the next generation of green professionals, we offered job-shadowing opportunities to local high school students, participated in some job fairs, and provided mentoring to college students interested in accounting. Next year we will contact the appropriate school officials to bolster student engagement. We plan to expand our mentoring and internship program over the next 12-36 months because we sincerely believe this will make a long-lasting impact.



## Society Performance Indicators

GRI Indicator	Description	Our performance in 2008-09	Looking to 2009-10
<b>S01</b>	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	We are committed to focusing on the local sustainably-driven community by working with local businesses, supporting local organizations, and partnering with all, to promote social and environmental responsibility.	We aim for 90% of our revenue to come from Portland-area customers.
<b>S02</b>	Percentage and total number of business units analyzed for risks related to corruption	None.	We may create and adopt a published code of ethics over the next year.
<b>S03</b>	Percentage of employees trained in organization's anti-corruption policies and procedures.	As a CPA firm, we are well trained in ethics and knowledgeable about internal controls.	Screen <i>The Smartest Guys in the Room</i> , then host a discussion on the Enron scandal.
<b>S04</b>	Actions taken in response to incidents of corruption.	N/A; There were no incidents of corruption.	No change.
<b>S05</b>	Public policy positions and participation in public policy development and lobbying.	Some participation in public policy developments.	Continue to support public engagement.
<b>S06</b>	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	None.	None.
<b>S07</b>	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	None.	None.
<b>S08</b>	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	None.	None.



## VI. Social: Product Responsibility Profile:

- **Customer Health and Safety**
- **Product and Service Labeling**
- **Marketing Communications**
  - **Customer Privacy**
  - **Compliance**

As a professional service firm, we apply product responsibility standards to our business practices. If an employee deviates from our mission, we encourage readjustment through positive framing and appreciative inquiry. We primarily buy in bulk from local food cooperatives. We prioritize support for the local food movements through our purchasing power and consumption. We engaged in a Community-Supported Agriculture (CSA) share, we cook together, and we choose an organic, local and seasonal diet within the firm and when meeting clients. We generated less than one 20-gallon trashcan's volume in waste each month. We achieved this by composting all kitchen scraps and recycling everything accepted by Portland's recycling services.

Since marketing communications can create tremendous waste, we chose active networking, client referrals, and word of mouth as our primary form of marketing. We advertised with a progressive radio station for many months

until a cost/benefit analysis revealed an unsatisfactory return on investment. We strive to use FSC-certified, 100% post-consumer recycled paper and certified green printers for our business cards, printed flyers and other professional printing needs. Since our inception, we have used less than three reams of printer paper.

We comply with Generally Accepted Accounting Principles (GAAP), all Internal Revenue Service and Oregon Department of Revenue tax rules and regulations, and CPA licensing requirements. As Certified Public Accountants, we are bound to a professional code of ethics that mandates due diligence concerning client privacy. Accordingly, we shred all client documents, encrypt all sensitive client communications, employ a robust backup and recovery system, and physically secure our offices with locks and a monitored alarm system.

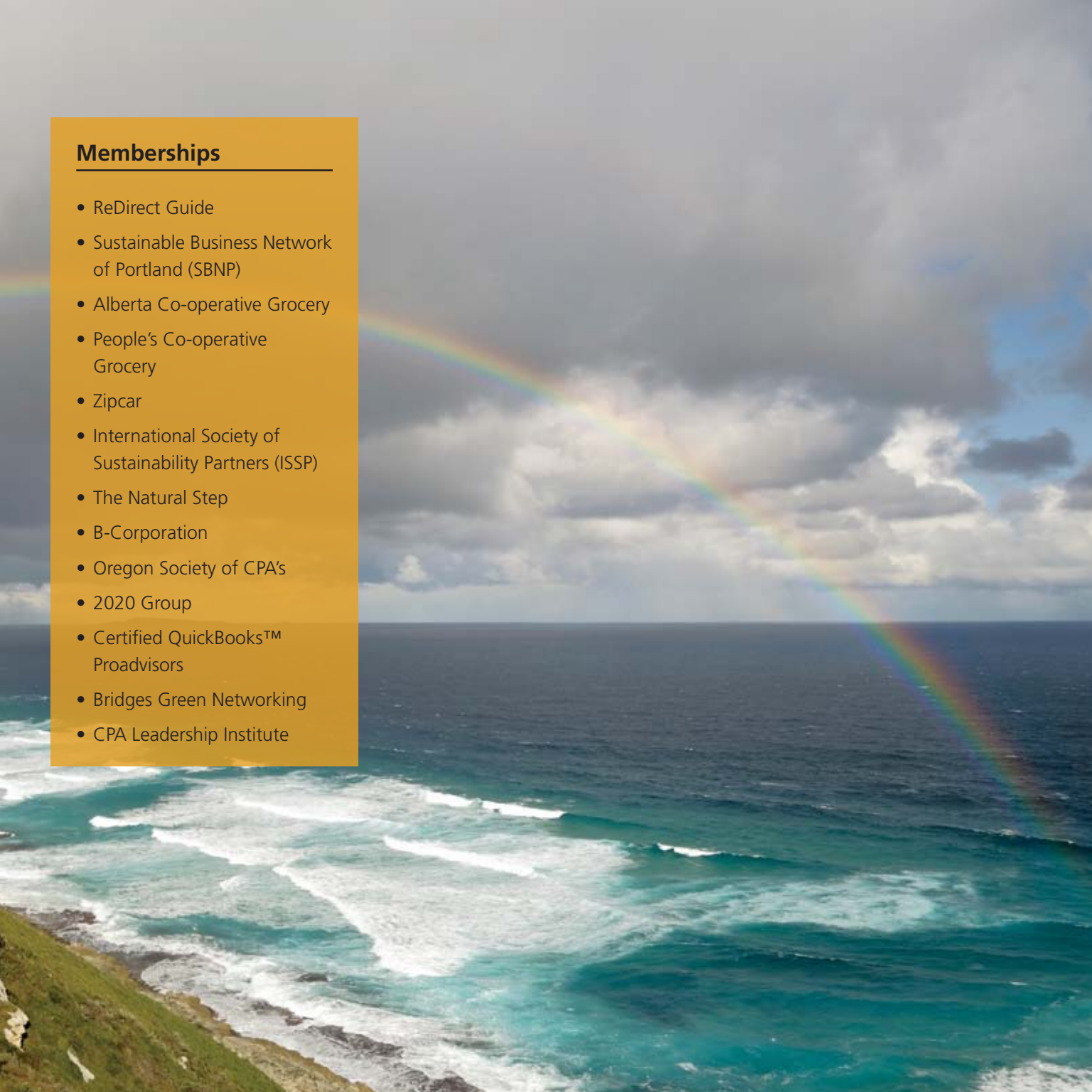
## Product Responsibility Performance Indicators

GRI Indicator	Description (see below)	What we accomplished in 2008-09	Our goal in 2009-10
<b>PR1</b>	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	We help our clients with these assessments but have little to report at this time.	Formalized training on Life Cycle Assessment.
<b>PR2</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	None.	None.
<b>PR3</b>	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	We strive to be as transparent and accountable as possible. We encourage stakeholders to contact us with questions or concerns about information we disclose.	No change.
<b>PR4</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	None.	None.
<b>PR5</b>	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Some informal conversations.	We intend to survey our clients.
<b>PR6</b>	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	We are in full compliance.	Consider adopting Canada's stricter marketing guidelines.
<b>PR7</b>	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing, communications, including advertising, promotion, and sponsorship by type of outcomes.	None.	None.
<b>PR8</b>	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	None.	None.
<b>PR9</b>	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	None.	None.

## **Memberships**

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- ReDirect Guide
- Sustainable Business Network of Portland (SBNP)
- Alberta Co-operative Grocery
- People's Co-operative Grocery
- Zipcar
- International Society of Sustainability Partners (ISSP)
- The Natural Step
- B-Corporation
- Oregon Society of CPA's
- 2020 Group
- Certified QuickBooks™ Proadvisors
- Bridges Green Networking
- CPA Leadership Institute





# STANDARD DISCLOSURES PART I: Profile Disclosures

## 1. Strategy and Analysis

Profile Disclosure	Description	Cross-Reference	Reason for Omission	Further Explanation
1.1	Statement from the most senior decision-maker of the organization	3		
1.2	Description of key impacts, risks, and opportunities.	4		

## 2. Organizational Profile

Profile Disclosure	Description	Cross-Reference	Reason for Omission	Further Explanation
2.1	Name of the organization.	7		
2.2	Primary brands, products, and/or services.	7		
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	7		
2.4	Location of organization’s headquarters.	7		
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	7		
2.6	Nature of ownership and legal form.	7		
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	7		
2.8	Scale of the reporting organization.	7		
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	7		
2.10	Awards received in the reporting period.		Not applicable	



### 3. Report Parameters

Profile Disclosure	Description	Cross-Reference	Reason for Omission	Further Explanation
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	8		
3.2	Date of most recent previous report (if any).	8		
3.3	Reporting cycle (annual, biennial, etc.)	9		
3.4	Contact point for questions regarding the report or its contents.	9		
3.5	Process for defining report content.	9		
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	8,9		
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope). I	9		
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	9		
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	9		
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).		Not applicable	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.		Not applicable	
3.12	Table identifying the location of the Standard Disclosures in the report.	8		
3.13	Policy and current practice with regard to seeking external assurance for the report.	8		



## 4. Governance, Commitments, and Engagement

Profile Disclosure	Description	Cross-Reference	Reason for Omission	Further Explanation
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	10		
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	10		
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.		Not applicable	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	10		
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).		Not available	Structured compensation and linkage to performance, in progress. Goal for 2010.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	10		Through standards imposed by CPA; continuous improvement upon codes, in progress. Goal for 2010.
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	10		In progress. Goal for 2010.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	10		
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	10		
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	10		In progress. Goal for 2010.



Profile Disclosure	Description	Cross-Reference	Reason for Omission	Further Explanation
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	10		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	10		
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	10		
4.14	List of stakeholder groups engaged by the organization.	11		
4.15	Basis for identification and selection of stakeholders with whom to engage.	10		
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	10		
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	10		

## STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3 DMA	Description	Cross-Reference
DMA EC	Disclosure on Management Approach EC	12
DMA EN	Disclosure on Management Approach EN	15
DMA LA	Disclosure on Management Approach LA	20
DMA HR	Disclosure on Management Approach HR	24
DMA SO	Disclosure on Management Approach SO	27
DMA PR	Disclosure on Management Approach PR	29



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